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凤祥食品

**SHANDONG FENGXIANG CO., LTD.**

山東鳳祥股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 9977)**

## **PROFIT WARNING**

This announcement is made by Shandong Fengxiang Co., Ltd. (the “**Company**” and its subsidiaries, collectively, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that, based on the information currently available and the preliminary assessment of the Group’s latest unaudited consolidated management accounts for the six months ended 30 June 2021 (the “**2021 Interim Results**”), the Group is expected to record a loss of approximately RMB40.0 million to RMB50.0 million as compared to the consolidated net profit of approximately RMB162.8 million for the six months ended 30 June 2020 (restated figures in accordance with the China Accounting Standards for Business Enterprises). The board of directors of the Company (the “**Board**”) believes that the main reasons for the profit decline are primarily attributable to (i) the increased costs of animal feed ingredients due to the period-on-period increase in the price of raw materials such as corn and soybean meal; (ii) the decrease in the average selling price of raw chicken meat products; (iii) a slight decrease in the production volume of broilers due to the use of chicken breeds from moulting breeders and an increase in the procurement amount of raw chicken meat products which led to an increase in costs; and (iv) the increase in selling and marketing expenses as a result of the increase in resources invested by the Group in its new retail business.

As at the date of this announcement, the Group is still in the process of finalising the 2021 Interim Results. The information contained herein is only based on a preliminary assessment of the information currently available to the Company's management and such information have not been confirmed and reviewed by the Company's audit committee and have not been audited or reviewed by the Company's auditors.

Shareholders and potential investors are advised to read carefully the interim results announcement for the 2021 Interim Results, which is expected to be released before the end of August 2021.

**Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.**

By order of the Board  
**Shandong Fengxiang Co., Ltd.**  
**Liu Zhiguang**  
*Chairman*

Shandong, the PRC  
13 August 2021

*As at the date of this announcement, the Board comprises Mr. Liu Zhiguang, Mr. Xiao Dongsheng and Mr. Wang Jinsheng as executive directors, Mr. Liu Xuejing, Mr. Zhang Chuanli and Mr. Ow Weng Cheong as non-executive directors, and Mr. Guo Tianyong, Ms. Zhao Yinglin and Mr. Chung Wai Man as independent non-executive directors.*